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TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Draft OMB Circular on Employee Parking

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Attached for your review is a draft circular intended to establish fees for the use of certain government parking lots. We invite your written comments and ask that they be sent to Ms. Joyce Walker, Deputy Associate Director, Room 9202, OMB, Washington, D.C. 20503, no later than April 30, 1979.

In an increasingly energy-conscious era, it does not seem prudent for the nation's largest employer to subsidize employee parking. At the same time we should encourage carpooling more actively even though some Federal installations have large amounts of parking available.

The Federal government's historical in-house practice of subsidizing parking costs for some employees has become inconsistent with more recent national policies toward energy conservation, reliance on public transportation and a cleaner environment.

Based on studies which relate automobile use to the cost of parking, the Washington Metropolitan Area Council of Governments has concluded that charging commercially equivalent fees for parking would reduce the number of cars in the core of the Washington, D.C. region. A comparative study of Federal and county employees in Los Angeles also supports the conclusion that where the user pays for parking, carpooling and transit use are increased. We generally agree with the direction and magnitude of these conclusions.

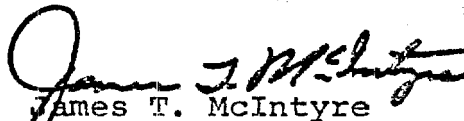
While carpooling among Federal employees has always been substantial, more progress is needed. A GSA survey conducted in 1977 at OMB's request shows that government-wide carpooling regulations are not uniformly applied. In the core of the Washington, D.C. area, for example, over a third of the executive branch parking spaces were still used by single occupant vehicles, despite the regulation's objective of 90 percent utilization by carpools. The survey also shows that in suburban locations between 80 and 90 percent of Federal employees drive to work alone. About 42 percent of the Federal employees in downtown Washington, D. C., and

nearby Virginia are able to park in Federal lots and thus receive a subsidy for part of the cost of their trip to work compared to other Federal employees. The other 58 percent of the Federal employees who take transit or park in commercial parking pay out-of-pocket costs along with the public at large.

This transmittal memo discusses several factors supporting the proposed policy. The pricing policy will primarily affect Federal facilities in downtown locations and densely populated suburban locations. However, more stringent application of carpooling requirements will affect all locations. Considerable cost savings to the taxpayer, reduced energy consumption, less traffic congestion, increased transit use, greater carpooling and improved air quality are expected from this action.

The circular would establish a parking fee at all Federal installations based on the fair monthly rental value of the parking space, except that in most cases no fee will be charged where the rental value is less than \$10.00 per month. ~~The intent is to set a fee high enough to recover space costs and act as an incentive to carpooling,~~ yet not so low that administration of a fee system and parking management would totally consume the fee. Agency managers at locations which would continue to provide parking without charge will be required to develop and implement affirmative plans for maximizing carpooling and vanpooling among employees and other building tenants.

In the vast majority of cases, charging a commercial rate for parking is not expected impose a hardship. In many cases employees will be able to share the costs through carpooling. In other cases, the daily use of public transit may be a more cost effective option for getting to and from work. The circular provides for a phase-in period to help employees and agencies adjust carpooling and financial arrangements as necessary.


James T. McIntyre
Director